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Agricultural Production and **Market Outlook**

The Rising Agriculture....

Production Cost and MSP of Various Crops



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Publisher
Agro-Economic Research Centre
Sardar Patel University
Vallabh Vidyanagar 388120
Anand, Gujarat

Email : aerc@spuvvn.edu
director.aerc@gmail.com

Web : http://www.spuvvn.edu/academics/academic_centres/agro_economic_centre/

National Commission on Farmers (NCF) headed by Dr. M.S. Swaminathan had recommended that the Minimum Support Price (MSP) should be at least 50 percent more than the weighted average cost of production. However, when the National Policy for Farmers, 2007 was finalized by the then Government, this recommendation of providing 50 per cent returns over cost of production was not included. The Union Budget for 2018-19 had announced the pre-determined principle to keep MSP at a level of one and half times of the cost of production. Accordingly, Government has increased the MSPs for all mandated Kharif, Rabi and other commercial crops with a return of atleast 50 per cent over all India weighted average cost of production from agricultural year 2018-19. In line with the same principle, Government has announced the increase in MSP for all mandated kharif crops of year 2020-21 on 1st June, 2020 and for all mandated rabi crops of year 2020-21 on 21st September 2020. The details of MSP, cost of production and return over cost of production for all mandated kharif and Rabi crops from 2018-19 to 2020-21 are given below.

Cost, MSP and return over cost

(Rs. Per quintal)

Commodity	2018-19	2019-20	2020-21						
	Cost	MSP	% Return over Cost	Cost	MSP	% Return over Cost	Cost	MSP	% Return over Cost
KHARIF CROPS									
Paddy(Common)	1166	1750	50	1208	1815	50	1245	1868	50
(Grade A) ^		1770			1835			1888	
Jowar (Hybrid)	1619	2430	50	1698	2550	50	1746	2620	50
(Maldandi) ^		2450			2570			2640	
Bajra	990	1950	97	1083	2000	85	1175	2150	83
Ragi	1931	2897	50	2100	3150	50	2194	3295	50
Maize	1131	1700	50	1171	1760	50	1213	1850	53
Arhar(Tur)	3432	5675	65	3636	5800	60	3796	6000	58
Moong	4650	6975	50	4699	7050	50	4797	7196	50
Urad	3438	5600	63	3477	5700	64	3660	6000	64
Cotton (Medium Staple)	3433	5150	50	3501	5255	50	3676	5515	50
(Long Staple) ^		5450			5550			5825	
Groundnut	3260	4890	50	3394	5090	50	3515	5275	50
Sunflower SEED	3592	5388	50	3767	5650	50	3921	5885	50
Soyabean(Yellow)	2266	3399	50	2473	3710	50	2587	3880	50
Sesamum	4166	6249	50	4322	6485	50	4570	6855	50
Nigerseed	3918	5877	50	3960	5940	50	4462	6695	50
RABI CROPS									
Wheat	866	1840	113	923	1925	109	960	1975	106
Barley	860	1440	67	919	1525	66	971	1600	65
Gram	2637	4620	75	2801	4875	74	2866	5100	78
Masur (Lentil)	2532	4475	77	2727	4800	76	2864	5100	78
Rapeseed & Mustard	2212	4200	90	2323	4425	90	2415	4650	93
Safflower	3294	4945	50	3470	5215	50	3551	5327	50

*Includes all paid out costs such as those incurred on account of hired human labour, bullock labour/machine labour, rent paid for leased in land, expenses incurred on use of material inputs like seeds, fertilizers, manures, irrigation charges, depreciation on implements and farm buildings, interest on working capital, diesel/electricity for operation of pump sets etc, miscellaneous expenses & imputed value of family labour.

^ Cost is not separately compiled for Paddy (Grade A), Jowar (Maldandi), Cotton (long staple) and Copra (ball).

Benefits of Agricultural Schemes to Farmers



Acknowledged the information used/taken from the public domain

Agriculture is a State Subject. Government of India facilitates the State Governments through many Centrally Sponsored and Central Sector Schemes to increase production, to reduce cost of cultivation like Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Soil Health Card Scheme, Sub Mission on Agricultural Mechanisation etc.

A statement showing the amount of budget allocated and amount spent thereon during the last five years is as under:

Soil Health Card (SHC) Scheme (Rs. In Crore)			
Financial Year	Allocation	Release	No. of farmers benefited
2015-16	200	140.82	256.84
2016-17	368.3	229.16	817.28
2017-18	458.76	194.93	302.14
2018-19	384.19	315.71	873.56
2019-20	333.95	159.43	16.8
Submission on Agricultural Mechanization (SMAM) (Rupees in Crore)			
Financial Year	Budget Allocation	Amount Spent	
2014-15	208.3	181.35	
2015-16	177.85	151.74	
2016-17	180	363.63	
2017-18	577.58	791.04	
2018-19	1200	1126.77	
2019-20	1033.34	992.19	
2020-21	1033.09	626.48	
Pradhan Mantri Krishi Sinchayee Yojana- Per Drop More crop (Rs. In crore)			
Financial Year	Allocation	Release	
2015-16	1073.13	1000.28	
2016-17	2326	1990.57	
2017-18	3395	2817.97	
2018-19	3983	2915.64	
2019-20	3486.65	2699.62	

SUBMISSION ON AGRICULTURAL MECHANIZATION (SMAM) WEF APRIL,2014 (As on 31.8.2020)Approved activities

Total Trainees Trained	Total Agricultural Machinery Distributed including Tractor, Power Tiller & Self Propelled Machinery	Total Custom Hiring Centres Established	Total Hi-Tech Hubs Established	Total Farm Machinery Banks Established at Farmers Level
(in Numbers)				
69138	1241592	12450	299	13334

Under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), 4592137 farmers have benefitted since 2015-16 till date. While a comprehensive study regarding these issues is not available, according to evaluation carried out in respect of some schemes the following is brought out:

Soil Health Card Scheme



As per feedback received from farmers from 21 states covering 171 districts, it emerged that application of fertilizers as per the recommendation of Soil Health Cards led to savings in nitrogen fertilizers like urea thereby resulting in

reduction in cost of cultivation.

- Rice – the cost of cultivation is reduced by 16-25% and savings of nitrogen are found to be around 20 Kg per hectare.
- Pulses – 10-15% reduction in cost of cultivation and savings of 10 Kg per hectare of urea is observed.
- Oil Seeds – reduction in cost of cultivation is 10-15% and savings on Nitrogen are 9 Kg/acre in sunflower, around 23 kg/acre in ground nut and around 30 kg/acre in castor.
- Cash crops – in case of cotton, reduction in cost of cultivation is 25% and savings on nitrogen fertilizer is around 35 kg/acre.
- Horticulture crops- In potato, 46 kg/acre of nitrogen saving is observed.
- Judicious use of fertilizers also resulted in increased production of crops.
- Cereals-increase in production of 10-20% in paddy, 10-15% in wheat and Jowar.
- Pulses-Increase in production of 10-30% in pulses.
- Oilseeds- Increase in production of around 40% in oilseeds.
- Cotton- Increase in production of around 10-20% in cotton.
- Savings on fertilizers and increase in production also resulted in increased income to farmers:
- Paddy: Increase in income of around Rs. 4500/ per acre.
- Tur: Increase in income of Rs. 25000-30,000/- per acre
- Sunflower: Increase in income of around Rs. 25000/- per acre
- Groundnut: Increase in income of around Rs. 10000/- per acre
- Cotton: Increase in income of around Rs. 12000/- per acre
- Potato: Increase in income of around Rs. 3000/- per acre.

Micro Irrigation

An impact evaluation study for Micro Irrigation completed in the 2014 and major findings of the study are:

- Irrigation cost reduced by 20% to 50% with average of 32%.
- Electricity consumption reduced by about 31%.

- Saving of fertilizers varies from 7% to 42%.
- Average productivity of fruits and vegetables increased by about 42.3% and 52%.
- Overall income enhancement of farmers was in the range of 20% to 68% with average of 48.5%.

The DAC&FW has recommended to the Department of Revenue to review the GST rates imposed on agriculture relevant inputs, equipment, appliances, machinery etc and take necessary steps to reduce the same to a reasonable level of either 'Nil' or at the most 5%.

First Advance Estimates of Production of major Kharif crops for 2020-21 released



The First Advance Estimates of production of major Kharif crops for 2020-21 have been released by the Department of Agriculture, Cooperation and

Farmers Welfare on 22nd September, 2020. The assessment of production of different crops is based on the data received from States and validated with information available from other sources. The estimated production of various crops as per the First Advance Estimates for 2020-21 vis-à-vis the comparative estimates for the years 2005-06 onwards is enclosed.

2. As per First Advance Estimates, the estimated production of major crops during Kharif 2020-21 is as under:

Foodgrains – 144.52 million tonnes. (record)

Rice – 102.36 million tonnes. (record)

Nutri / Coarse Cereals – 32.84 million tonnes.

Maize – 19.88 million tonnes.

Pulses – 9.31 million tonnes.

Tur – 4.04 million tonnes.

Oilseeds – 25.73 million tonnes.

Groundnut – 9.54 million tonnes. (record)

Soyabean – 13.58 million tonnes.

Cotton – 37.12 million bales (of 170 kg each)

Jute & Mesta - 9.66 million bales (of 180 kg each)

Sugarcane – 399.83 million tonnes

3. The cumulative rainfall during this year's southwest

monsoon season upto 16th September, 2020 has been 7% higher than Long Period Average (LPA). Accordingly, most of the major crops producing states have witnessed normal rainfall. The production of most of the crops for the agricultural year 2020-21 has been estimated higher than their normal production. However, these estimates would undergo revision based on further feedback from the States.

4. As per First Advance Estimates for 2020-21 (Kharif Only), total foodgrain production in the country is estimated at 144.52 million tonnes. The production during 2020-21 is higher by 9.83 million tonnes than the average foodgrain production of previous five years' (2014-15 to 2018-19).
5. Total production of kharif rice during 2020-21 is estimated at 102.36 million tonnes. It is higher by 6.70 million tonnes than the previous five years' average production of 95.66 million tonnes.
6. Production of nutri / coarse cereals is estimated at 32.84 million tonnes is higher by 1.45 million tonnes than the average production of 31.39 million tonnes.
7. Total kharif pulses production during 2020-21 is estimated at 9.31 million tonnes. It is higher by 1.59 million tonnes than pulses production of 7.72 million tonnes in 2019-20 (fourth advance estimate).
8. Total kharif oilseeds production in the country during 2020-21 is estimated at 25.73 million tonnes which is higher by 3.41 million tonnes than the production during 2019-20. Moreover, the production of oilseeds during 2020-21 is higher by 5.90 million tonnes than the average oilseeds production.
9. Total production of sugarcane in the country during 2020-21 is estimated at 399.83 million tonnes. The production of sugarcane during 2020-21 is higher by 39.40 million tonnes than the average sugarcane production of 360.43 million tonnes.
10. Production of cotton is estimated at 37.12 million bales (of 170 kg each) is higher by 1.63 million bales than the production of 35.49 million bales during 2019-20. Production of jute & mesta is estimated at 9.66 million bales (of 180 kg each).

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Agro-Economic Research Centre

For the states of Gujarat and Rajasthan

(Ministry of Agriculture & Farmers Welfare, Govt. of India)

H.M. Patel Institute of Rural Development,

Opp. Nanadalaya Temple, Post Box No. 24,

Sardar Patel University

Vallabh Vidyanagar 388120, Anand, Gujarat

Ph.No. +91-2692-230106, 230799, Fax- +91-2692-233106

E-mail : director.aerc@gmail.com

Website: www.aercspu.ac.in

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